



STATE BOARD OF ADMINISTRATION
OF FLORIDA

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EXECUTIVE DIRECTOR

September 19, 2007

Karim Yataghane
Investor Relations CSR
Total S.A.
2, place de la Coupole La Defense 6
92078 Paris La Défense Cedex
France

Re: Scrutinized Business Operations in Iran

Dear Mr. Yataghane:

I am writing you to begin a constructive engagement process with your company to address Florida's concerns about your business operations in the country of Iran. The State Board of Administration of Florida (SBA) manages the Florida Retirement System's (FRS) \$140 billion pension fund for over one million members. The FRS is the fourth largest public pension fund in the United States.

In May of 2007, the Florida Legislature unanimously passed the Protecting Florida's Investments Act (the "Act") that will require divestment of SBA's investments in companies with certain business operations in the countries of Sudan or Iran, if certain actions are not taken in response to our concerns. This Act was signed into law on June 8, 2007, by Governor Charlie Crist, who serves as SBA Chairman. A copy of this Act is available at www.sbafla.com.

Under the Act, companies whose activities meet the following criteria will be deemed prohibited investments for the SBA and divestiture of your company's publicly traded securities shall be required, unless the company agrees within 90 days to cease the applicable business operations. The SBA is required to publicly disclose the list of prohibited companies and divest of the securities of those companies that do not cease the applicable business operations or convert the activities to inactive status.

With regard to Total S.A., we have identified business operations that appear to meet the criteria provided by the Act. We wish to schedule a meeting with you as soon as possible to provide you an opportunity to clarify or correct our records regarding your business operations in Iran.

The following is a brief review of the criteria on which the Iran business operations of companies will be assessed, in accordance with subsection (1)(t) of the Act. Please review the Act for the complete requirements and definitions of key terminology.

A company will be subject to the provisions of the Protecting Florida's Investments Act under the following criteria:

- 1. The company has business operations that involve contracts with or provision of supplies or services to:*
 - the government of Iran,*
 - companies in which the government of Iran has any direct or indirect equity share,*
 - companies involved in consortiums or projects commissioned by the government of Iran;*

and:

a. The company has oil-related or mineral-extracting activities in Iran that account for more than 10 percent of the company's total revenues or assets, and the company has failed to take substantial action¹.

or:

b. The company has, with actual knowledge, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each, which in the aggregate equals or exceeds \$20 million in any 12-month period, and which directly or significantly contributes to the enhancement of Iran's ability to develop the petroleum resources of Iran.

We have included an attachment that delineates certain information that would be useful to the SBA in finalizing whether Total S.A. meets the criteria under this Act. We hope you will find it helpful in preparing for our meeting. If you have questions, please contact Michael McCauley, Senior Corporate Governance Officer, by telephone at (850) 413-1252 or by email at pfia@sbafla.com. We will contact you soon after your receipt of this letter to schedule a meeting to discuss these concerns.

Sincerely,



Coleman Stipanovich
Executive Director

Attachment

cc: Charlie Crist, Governor, State of Florida
Alex Sink, Chief Financial Officer, State of Florida
Bill McCollum, Attorney General, State of Florida

¹ "Substantial action" means adopting, publicizing, and implementing a formal plan to cease scrutinized business operations within one year and to refrain from any such new business operations.

Clarifying Questions Regarding Activities in Iran:

1. Does Total S.A. [or your subsidiary, parent or affiliate that meets the definition of "Company"² in the Act, subsection (1)(c)], have any business operations that involve contracts with or provision of supplies or services to:
 - the government of Iran?
 - companies in which the government of Iran has any direct or indirect equity share?
 - companies involved in consortiums or projects commissioned by the government of Iran?
2. What are Total S.A.'s *oil-related*³ or *mineral-extraction*⁴ activities in Iran,
 - a. as a percent of total *revenues* worldwide?
 - b. as a percent of total *assets* worldwide?
3. Has Total S.A., with actual knowledge, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each, which in the aggregate equals or exceeds \$20 million in any 12-month period, and which directly or significantly contributes to the enhancement of Iran's ability to develop the petroleum resources of Iran?
4. Has Total S.A. adopted, publicized and implemented a formal plan to cease business operations in Iran meeting the criteria of the Act within the next twelve months?
5. Has Total S.A. been affirmatively declared by the United States Government to be excluded from any present or future federal sanctions regime covering Iran?
6. Does Total S.A. have majority ownership in any publicly-traded subsidiaries, or is Total S.A. majority-owned by a publicly-traded firm?

² "Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for the purpose of making profit.

³ "Oil-related activities" include, but are not limited to, owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; constructing, maintaining, or operating a pipeline, refinery, or other oil-field infrastructure; and facilitating such activities, including providing supplies or services in support of such activities, except that the mere retail sale of gasoline and related consumer products is not considered an oil-related activity.

⁴ "Mineral-extraction activities" include the exploring, extracting, processing, transporting, or wholesale selling or trading of elemental minerals or associated metal alloys or oxides (ore), including gold, copper, chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc, as well as facilitating such activities, including providing supplies or services in support of such activities.